

**STADIUM  
FEASIBILITY  
ANALYSIS**

**TASK FORCE REPORT  
TO THE MAYOR**

**OCTOBER 1983**

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## INTRODUCTION

Early in 1982, the San Francisco Giants' published a report entitled, "The Future of Candlestick Park," and submitted it to the Mayor for the City's consideration. In response, Mayor Feinstein appointed a Task Force to evaluate the issues raised by the Giants concerning the stadium. The Task Force consisted of six City Departments represented by the following individuals:

Dean Macris, Director of City Planning, Chair

Jeffrey Lee, Director of Public Works

Wallace Wortman, Director of Real Estate

Robert Kenealey, Assistant City Attorney

Thomas Malloy, General Manager of Recreation and Parks

Wilbur Hamilton, Executive Director, Redevelopment Agency

In December 1982, the San Francisco Board of Supervisors appropriated \$300,000 from the Candlestick Park Fund to provide expert assistance in analyzing the City's stadium options. The study's principal objectives were to compare the costs of improving and doming Candlestick with the cost of building a new stadium and to assess the impacts of each alternative. The study included a detailed assessment of potential sites for a new stadium near downtown. A work program to guide the study was prepared by the Mayor's Stadium Task Force and endorsed by the Board of Supervisors.

In January 1983, a consultant team was selected by the Task Force. The team completed its work in June of this year and submitted to the City a report entitled, "Stadium Feasibility Analysis -- A Study of Alternatives."

Since that time the Mayor's Task Force has evaluated the consultants' work, giving special attention to the actual availability of three sites cited as priority for a new stadium downtown and to the practicalities of financing a stadium through private sources.

This statement, based on the information submitted by the consultant team, is a presentation of the Task Force's recommendations to the Mayor.



## SECTION 1

### RECOMMENDATION

1. It is recommended that the Commission on the Status of Women, in its report to the General Assembly, should include a recommendation that the United Nations should continue to support the work of the Commission on the Status of Women and its subsidiary organs, and that it should continue to support the work of the United Nations Development Fund and the United Nations Children's Fund.



There are no competing parties for the City to award the construction of a new water treatment plant and the water treatment plant for some other purpose. The construction cost for this recommendation is the least for the City and is recommended below in summary form.

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Conclusion: Based on a review of the water treatment plant and other facilities, it is recommended that the City should build a new water treatment plant and other facilities. The construction cost for this recommendation is the least for the City and is recommended below in summary form.



and circulation cannot be improved without a major reconstruction of existing ramps and concourses. Press, TV and broadcasting facilities cannot be expanded without eliminating significant amounts of prime spectator seating. Luxury suites with adequate viewlines for all events cannot be added in a sufficient number and at a reasonable cost due to constraints imposed by the existing structure. The maximum number of seats which can be created for football events would be 63,900, a capacity that does not qualify Candlestick for superbowl events.

2. Modifications to the existing stadium structure, including a dome, are estimated to cost \$54 million, based on May 1983 construction cost indexes. Design fees, construction contingency, construction general conditions and inflation will increase construction costs to \$68.3 million. (A list of proposed improvements is on Page 14.) Transportation and streets improvements which would have to be paid by the City would add another \$25 million, increasing the total cost for all improvements to \$93.3 million. Financing costs, using lease-revenue bonds would total about \$41.9 million. However, investment income, earned on unspent funds during construction could offset this figure, thus reducing financing costs for the project to \$23.2 million. The total cost for upgrading Candlestick would therefore be about \$116.5 million. This total does not include the existing bond balance on Candlestick which was \$19.3 million as of the end of 1982.
3. The cost of a new downtown stadium will depend largely upon the method of financing used and site selected (see site locations on Pages 22-24). Assuming that the lease revenue bond method is used and the stadium is located on Site 7, land preparation costs (not including costs to lease or buy land) are estimated to be \$6.5 million, stadium construction costs \$130.8 million, project fees \$12.1 million, infrastructure improvements \$5.6 million and financing costs \$72.3 million. The total project cost would be \$227.4 million. However, this amount could be offset by as much as \$56.5 million from investment income, luxury suite lease deposits, loge seat sales and deposits on scoreboard advertising rights. This initial income would reduce the effective cost of a downtown stadium to \$170.8 million. If





privately financed (the method preferred by the Task Force), total project costs would be shared by both the public and private sectors. City costs would include \$6.5 million in site assembly costs and \$5.6 million in infrastructure improvements for a total of \$12.0 million. Private sector costs would include construction cost of \$122.7 million, fees of \$11.3 million and financing costs of \$19.6 million for a total of \$153.6 million. However, the private sector costs could be offset by suite deposits, loge seat sales and scoreboard rights totaling \$30.9 million resulting in an effective total cost \$122.7 million.

4. A new domed stadium can be designed as a full multipurpose facility accommodating more uses than a modified Candlestick Park. The range of activities possible in a new stadium is described in Section 2B, Page 38 of the consultants report. Should a new stadium be built, the consultants recommend a circular structure because it is the most adaptable for multiuses and is most adaptable to a variety of roof design. It is proposed that a new stadium seat 70,000 people for football and 64,000 for baseball. A new structure can be designed with a convertible roof capable of opening or closing within 45 minutes. In addition, a new stadium could be changed from a baseball to a football configuration in as little as four hours.
5. When the stadium is in use, the Bayview-Hunters Point and Visitacion Valley neighborhoods to the west of the stadium are significantly and negatively impacted by traffic. The neighborhoods have insisted on many occasions that the City take some action to remedy these problems. In 1981, a study by the Department of Public Works recommended a \$32 million solution which was approved by the Board of Supervisors and the Mayor in December 1981. The cost of these improvements has escalated to \$44 million, based on estimates from this study. If the use of Candlestick is increased, as is likely with an improved stadium, the traffic impact will be even greater and more frequent.

Conclusion: It is far more likely that private financing can be secured for building a new stadium than for improving Candlestick Park.





It would be easier to involve the private sector in the financing of a downtown stadium than in improving Candlestick Park. Because luxury suites can be well-designed and well-located in a new stadium and because as many as 190 of them can be built, the revenue potential from this source is much greater and more certain than for suites at Candlestick. The consultants conclude that only 96 suites can be installed at Candlestick, and many of these could not be designed to appropriate standards. In addition, as many as 8,000 loge seats could be created in a new stadium to produce even more revenue, a situation which cannot be achieved at Candlestick. A new stadium in a more central location also improves chances for gaining more revenue from the stadium's advertising benefits. Discussions with private sponsors on this point have indicated no interest in Candlestick Park. Consequently, a decision to improve Candlestick would mean nearly all improvements must be publically financed.

Conclusion: Of the five methods examined for financing a new stadium, a private sponsor or sponsors with independent financing offers the City the best potential and least financial exposure.

1. The sale-leaseback method of financing, recently used for such public projects as the Oakland museum, is complex and is being scrutinized by both the Internal Revenue Service and Congress. Substantial questions exist about the continued validity of this approach. Until congressional actions are more clearly understood, it has been set aside as a practical method for financing a new stadium.
2. Financing the stadium through the Redevelopment Agency tax allocation bonds would require a substantial tax revenue from an established redevelopment area in which the stadium would be located. These tax increases would have to be sufficient to cover debt costs for both the stadium and for other public infrastructure improvements made as part of the redevelopment project. At present, there is no Redevelopment project nor could one be established to generate revenues in a time



frame compatible with stadium needs; however, this method of financing may be suitable for funding less costly aspects of the project such as infrastructure improvements needed to serve the stadium.

3. Another financing method, the community facilities district, would require the creation of a special district to impose a tax approved by two-thirds of the voters of the District. While it is conceivable that such a district could be established, perhaps encompassing the whole of downtown, the additional tax to finance the stadium on the property owners or businesses located in the district is not likely to be found acceptable.
4. Issuing lease revenue bonds, such as was done for Moscone Center and Candlestick Park, would be a logical way to finance a new stadium if the project is implemented by the City. However, because of limitations on the timing and manner in which bonds are issued, this approach would result in a much higher project cost to the City than would private sector financing, and would require the City to guarantee the bonds.
5. A private sponsor would be required to run and operate the stadium in order to qualify for tax benefits. While private sponsorship would remove the stadium from public ownership and control, the agreement could be structured so that the City has no liability for the long-term financing required to construct the stadium. This approach, considered the most desirable, is discussed in more detail elsewhere in this report.

Conclusion: A site at China Basin east of  
3rd Street appears available and  
workable for a new downtown stadium.

1. The consultant's study evaluated more than a dozen sites. Considering all criteria (cost, transportation, displacement, availability, schedule) the site located at China Basin east of Third Street and South of King Street appears to be the optimum location for a downtown stadium. About one-half the site is under the jurisdiction of the Port of San Francisco. The remainder is owned by the State.





2. The China Basin site seems optimum for several reasons. It is the closest available and most affordable site to downtown. It is adjacent to the S.P. Commuter terminal; plans are underway to extend the Muni Metro to this location; several thousand parking spaces exist nearby and the Southern Pacific project in Mission Bay could create several thousand more. Consultants find that traffic generated by the stadium can be accommodated on existing roadways (see Page 26).
3. The design developed by the consultants requires 8.8 acres to accommodate the stadium itself. However, additional land of 4 to 6 acres will be needed for pedestrian circulation, fire access and transportation services, increasing the total land area required for the stadium to 13 to 15 acres.
4. It is essential in constructing a new stadium to hold land costs to a minimum. The City's Real Estate Department estimates the value of Site 7 to be \$37.9 million and Site 14 to be \$38.5 million if acquired at current fair market values. Various approaches are being explored to secure these sites for stadium use. Efforts are underway to put the whole of Site 7 under Port jurisdiction. Present state laws do not permit the Port to sell property it owns, but the site could be made available for the stadium under a long-term 66 year lease. Lease payments could be financed using hotel tax funds currently allocated to retiring Candlestick bonds. Leased property is an advantage to the stadium project because it reduces the amount of money needed initially to secure land for construction.
5. The evaluation conducted by transportation consultants indicates that, compared to Candlestick, a downtown stadium would take better advantage of the City's existing public transit system and that a substantial increase could be expected in spectators use of public transit. Under present and proposed conditions, at most 16% of the spectators going to Candlestick Park arrive and depart by public transit. Transit use of a downtown stadium could be increased to as much as 28% of the spectator total. It would mean fewer parking spaces would be required in connection with a new downtown stadium.



Consultants to the stadium project concluded that traffic conditions would be at acceptable levels on City streets for nearly all stadium events.

6. The decision on whether to build a new stadium seems particularly timely considering the Mission Bay project, South Beach Redevelopment area, and I-280 Transfer Concept Program are in the planning stage. A rare opportunity exists to plan anticipated development, traffic flows, joint-use parking and pedestrian access for a rather substantial area on the part of the City.

Conclusion: A China Basin site offers good access to existing and proposed transportation services. It can also provide added exhibition space to supplement Moscone Center.

1. The stadium sites proposed for consideration are located within a corridor affected by the I-280 Transfer Concept Program -- a program that is in the planning stage with an implementation period corresponding, more or less, to that of the stadium. It should be possible, therefore, to integrate major transportation improvements with the stadium's design. The I-280 program, which contemplates an extension of the City's Muni-Metro system to the area and a connection of I-280 to the Embarcadero Roadway, would create proper transportation access to the stadium. Preliminary studies suggest that a Muni-Metro station could be incorporated directly into the stadium structure.
2. Because the proposed stadium sites are located on or adjacent to the Southern Pacific's proposed Mission Bay project, an opportunity exists to integrate nearby development with the stadium. It could result in substantial cost savings to the stadium project. The Mission Bay project proposes over 12,000 parking spaces, more than required for the stadium. However many parking spaces are eventually needed for Mission Bay could be made available to the stadium on a shared use basis. This would eliminate the need to include parking as part of the stadium project.





3. The site proposed for the stadium is located only four blocks from Moscone Center, making it possible for a multipurpose stadium to supplement the City's visitor-based industry. The lower level concourse of the stadium can be designed to contain approximately 50,000 square feet of space (ceiling heights up to 26 feet) which could be used for exhibitions on a continuous basis. Further modifications to the structure to use more of the site could add several hundred thousand square feet of additional exhibition space near ground level. When the stadium is not used for sporting events, the upper and lower level concourses and field level could provide an additional 200,000 square feet for exhibition and convention space.

Conclusion: Candlestick Park and its associated properties can be sold for other uses at a price sufficient to retire the existing debt.

1. A study of land values comparable to Candlestick Park indicates that the current market value for the property is about \$5.00 per net square foot. Assuming that 17.5% of the developable land would be required for public rights-of-way, the remaining 60.5 acres would be worth approximately \$13.2 million. Setting aside \$1.0 million for demolishing the stadium, the current residual value for Candlestick would be \$12.2 million. The bond balance at the end of 1982 was \$19.3 million, hence a sale now would produce a shortfall of about \$7.1 million, exclusive of the cost of defeasing the bonds. However, at the point a new stadium would be completed in 1988, the Candlestick bond balance would be reduced to \$15.1 million (end of 1987). Meantime the property's value is expected to rise at an annual rate of 7%.

Assuming these two factors take place -- a reduction in debt and an increase in land value -- Candlestick can be disposed at no cost.



2. The 73.25 acres of land at Candlestick Park which would be available for development if a new stadium were constructed downtown can be re-used for residential and commercial/industrial purposes. A mixed use development seems highly desirable at this location and could add a substantial number of new jobs and housing units.

Conclusion: A downtown stadium provides greater economic advantages to the City when compared to Candlestick Park.

1. The economic consultants find that the City could derive more economic impact benefits from a downtown stadium than from an improved Candlestick, particularly if all the potential benefits generated by multiuse stadiums are realized. This conclusion is based on two factors: 1) At a downtown location, stadium visitors will spend more money in the City; 2) the number of visitors to the facility would increase substantially due to higher attendance and additional usage. The combined on-site and off-site annual expenditures resulting from a multiuse facility downtown are projected at \$91.8 million compared to \$42.7 million per year for Candlestick under optimum conditions. The number of on-site and off-site jobs resulting from a stadium downtown would be 2,107 compared with 788 at Candlestick. The estimated tax revenues to the City from admissions, sales, payroll, hotel and property taxes would be \$8.2 million per year for a downtown stadium compared to \$3.3 million per year at Candlestick.





SECTION 2

UPGRADING CANDLESTICK PARK



## SECTION 2: UPGRADING CANDLESTICK PARK

A principal purpose of the feasibility study was to determine the cost for enclosing and upgrading the existing Candlestick, making it comparable to other major league stadiums across the country.

To accomplish this, the architectural and engineering consultants conducted a thorough examination of the structure and facilities at Candlestick. Previous studies of Candlestick by other consultants were also reviewed for their possible application. Following these investigations, design studies exploring alternative solutions were conducted by the consultant and a "most logical solution" was selected and developed to a sufficient level of detail, thus enabling cost consultants to make estimates.

Listed below are the 21 major items identified as needing improvement at Candlestick with their estimated cost. It should be noted that these costs represent hard construction costs based on May 1983 indexes and do not include a contingency factor, contractor's general conditions, inflation factor or design and administration fees. These costs are identified separately.



ESTIMATED COSTS OF CANDLESTICK IMPROVEMENTS  
 (All numbers in \$000)

1. Construct air-supported dome and enclose structure:		
a. Demolition	696	
b. Foundations	408	
c. Exterior structure	4,604	
d. Roof covering	9,008	
e. Exterior skin (including doors)	11,476	
f. Plumbing system	574	
g. Ventilation system	4,385	
h. Fire protection system	344	
i. Electrical system	3,377	
		<hr/>
	SUBTOTAL	\$34,872
2. Increase seating to maximum capacity of 63,900	300	
3. Install new public toilets	536	
4. Install new concession stands	1,570	
5. Improve ramps, concourses, escalators	2,220	
6. Install luxury suites:		
a. Modify existing boxes (62 suites)	1,495	
b. Extend existing boxes (16 suites)	560	
c. Add suites @ scoreboard (30 suites)	1,800	
		<hr/>
	SUBTOTAL	\$3,855
7. Install new sound system	600	
8. Landscaping, graphics, painting	575	
9. Upgrade press facilities	678	
10. Upgrade administrative offices	609	
11. Upgrade team facilities	818	
12. Add field toilet	10	
13. Construct team photographers platform	10	
14. Upgrade medical facilities	37	
15. Upgrade service facilities	180	
16. Install new refuse disposal system	50	
17. Install new playing field	2,382	
18. Install new field lighting	1,030	
19. Upgrade ticket collection system	75	
20. Upgrade security system	47	
21. Install new scoreboard	3,500	
		<hr/>
	TOTAL MAY 1983 HARD CONSTRUCTION COSTS	\$53,954
	INFLATION FACTOR @ 5.30 %	2,860
	CONSTRUCTION CONTINGENCY @ 7.00 %	3,977
	GENERAL CONDITIONS @ 5.75 %	3,495
	DESIGN & EIR COSTS @ 6.25 %	4,018
		<hr/>
	TOTAL DESIGN & CONSTRUCTION COSTS	\$68,304





## Candlestick Transportation Improvements

In addition to the construction improvements needed for Candlestick, a number of transportation related improvements are required to upgrade access and to lessen the impact on surrounding residential areas. These improvements are particularly important because a restored Candlestick means more frequent usage. Candlestick usage is estimated to increase from 89 events per year to as many as 180.

Transportation problems are so critical that a special study titled "Report on Candlestick Park Access" was undertaken by the City's Department of Public Works in 1981 for the purpose of recommending a solution. As a result of this study the San Francisco Board of Supervisors adopted Resolution No. 1012.81 (dated 12/14/81) establishing a policy in support of long range alternative plan No. 7 as described in the 1981 DPW report.

The alternative recommended was reviewed by the traffic consultants for this study to evaluate needed revisions and to update costs. Following is a list of all traffic-related improvements required at Candlestick and the estimated costs of these improvements based on mid-1983 construction costs.

### ESTIMATED COSTS OF CANDLESTICK TRANSPORTATION IMPROVEMENTS

(All numbers in \$000)

1. Short-range:		
a. Remove residential area parking prohibitions	0	
b. Schedule street cleaning for stadium use	0	
c. Change southbound U.S. 101 signing	10	
d. Repair Carroll Ave. east of 3rd	900	
e. Relocate western entry permit parking gates	0	
f. Re-stripe Harney Way access route	4	
g. Install variable message overhead signs	140	
h. Install signage on Harney Way egress route	50	
i. Develop shuttle bus to south Bayshore station	0	
TOTAL SHORT-RANGE IMPROVEMENTS		\$1,104
2. Long-range:		
a. Widen Harney Way	540	
b. Widen Alana Way/U.S. 101 on-ramp	240	
c. Limited widening of U.S. 101 southbound	2,700	
d. Widen Fitch and Carroll Streets	7,323	
e. Construct Carroll St. to U.S. 101 viaduct	32,175	
TOTAL LONG-RANGE IMPROVEMENTS		42,978
TOTAL TRANSPORTATION IMPROVEMENTS		\$44,082



Because some of these improvements are related to U.S. 101, it is assumed that a portion of these costs could be borne by State or Federal highway programs. The improvements, with costs that might be borne by other sources, are listed below.

TRANSPORTATION IMPROVEMENTS PAID BY OTHER SOURCES  
(All numbers in \$000)

1. Short-range:			
c. Change U.S. 101 signing @	50.00%	5	
g. Install message signs @	50.00%	70	
		<hr/>	
TOTAL SHORT-RANGE IMPROVEMENTS			\$75
2. Long-range:			
b. Widen Alana Way on-ramp @	50.00%	120	
c. Widen U.S. 101 southbound @	100.00%	2,700	
e. Construct viaduct @	50.00%	16,088	
		<hr/>	
TOTAL LONG-RANGE IMPROVEMENTS			<u>18,908</u>
TRANSPORTATION IMPROVEMENTS PAID BY OTHERS			\$18,983

These estimates suggest that the City's share of transportation improvements would be \$25 million not including inflation, design or engineering fees or contingencies.

The total cost for both refurbishing stadium and improving stadium access is estimated to be at least \$95 million.





## SECTION 3

### FINANCING CANDLESTICK PARK IMPROVEMENTS



### SECTION 3: FINANCING CANDLESTICK PARK IMPROVEMENTS

Five financing alternatives were analyzed as a means of implementing improvements at Candlestick Park.

1. Lease revenue bonds
2. Private sector ownership
3. Sale-leaseback financing
4. Community facilities district financing
5. Tax allocation bonds

Of these alternatives, the sale-leaseback method is regarded as highly complex and involves substantial questions regarding tax and securities laws. This method, in fact, would be eliminated if the Fair Tax Act of 1983, now pending in Congress, is enacted in its present form. Because this approach would require testing and could be changed at any time precluding consummation of a transaction, it is not considered a reliable method for financing Candlestick Park's improvements.

The community facilities district financing method would require establishing a special district and imposing a special tax approved by two-thirds of the voters of the district. Because this would add significantly to the tax burden of the properties within the district, it is not considered a feasible method of financing Candlestick Park's improvements.

Tax allocation bond financing would require incorporating Candlestick Park into an existing or new redevelopment project in which unallocated tax increments would be sufficient to support the amount of the bonds required to make the improvements. Because no existing project has unallocated tax increments at such a scale and because a new project may be impractical and undoubtedly delay start of improvements for several years, this method was also ruled out as an appropriate way to finance Candlestick Park improvements.



Private sector ownership would require a project sponsor who would build, own and then operate the stadium facility in exchange for all tax benefits and any future profits the facility might generate. This method does not appear feasible as a means of financing Candlestick improvements for the following reasons: 1) it would require a charter amendment pertaining to the existing facility; 2) revenue projections indicate that the improved facility would not generate a cash flow sufficient to cover operating costs and bond costs; 3) the stadium is not located in an area allowing high advertising benefits. Consequently, it is generally believed that a private sponsor could not be found to assume ownership of Candlestick Park.

Of the five financing alternatives analyzed, the only method feasible for Candlestick Park's improvements would be through the issuance of lease revenue bonds, the same method used to construct Moscone Center and the original Candlestick Park stadium.

Under the lease revenue method of financing, bonds (which must be approved by a majority of the voters) would be issued by the Redevelopment Agency or a non-profit corporation. Debt service for the bonds would be lease payments by the City from its General Fund. Bond proceeds would be used to finance debt service during construction. Lease revenue bonds commit funds in the City's General Fund to cover any shortfall in revenues.

Interest for lease revenue bonds is funded for a period of 36 months on the assumption that bonds would not be sold until the fixed cost of construction is determined and that it would take about 36 months from that time until all improvements would be completed. A debt service reserve equal to the maximum annual debt cost is also provided. Because the City cannot legally commence rental payments until the improvements are substantially completed and it has the beneficial use of them, it is necessary to fund interest during the construction period. Discount, insurance and issuance expenses would add other financing costs to the lease revenue method of financing.

Because all of the bonds required to complete all improvements would be sold upon the commencement of construction (but all funds would not be drawn





down until needed) a substantial portion of bond proceeds could be reinvested to generate income. Recent Internal Revenue Service rulings require that investment income during the construction period be taken into account in sizing the bond issue. This has been done at rates varying from 8.0% to 10.5%.

Following is a summary of total project costs for the improvement of Candlestick Park assuming 25-year lease revenue bonds at a 9.5% rate.

ESTIMATED TOTAL CANDLESTICK IMPROVEMENT COSTS  
(All numbers in \$000)

1. Construction:	
a. Total May 1983 hard construction costs	53,954
b. Inflation factor @ 5.3%	2,860
c. Construction contingency @ 7.0%	3,977
d. General conditions @ 5.75%	3,495
e. Design and EIR costs @ 7.75%	<u>4,018</u>
TOTAL DESIGN AND CONSTRUCTION COSTS	\$68,304
2. Transportation improvements:	
a. Total transportation improvements	44,082
b. Transportation improvements paid by others	<u>18,983</u>
TOTAL CITY SHARE OF TRANSPORTATION IMPROVEMENTS	<u>\$25,099</u>
TOTAL CONSTRUCTION AND TRANSPORTATION COSTS	\$93,403
3. Financing costs:	
a. Funded interest 3 years @ 9.5%	28,173
b. Bond reserve fund, maximum annual debt service 10.6%	10,478
c. Discount/insurance @ 3.0%	2,966
d. Issuance expense @ .25%	<u>247</u>
TOTAL FINANCING COSTS (BEFORE OFFSETS)	<u>\$41,865</u>
TOTAL PROJECT COSTS	\$135,267

The total project cost of \$135.3 million would be reduced by the amount of investment income which is projected at \$18.7 million. This leaves \$116.6 million, the amount of the lease revenue bond required. The annual cost of this issue for 25-year bonds at a rate of 9.5% would be approximately \$10.5 million. Adding this to the present annual bond cost of \$1.8 million would raise Candlestick's annual debt cost to \$12.3 million.



## SECTION 4

### DOWNTOWN STADIUM SITES





#### SECTION 4: EVALUATING DOWNTOWN STADIUM SITES

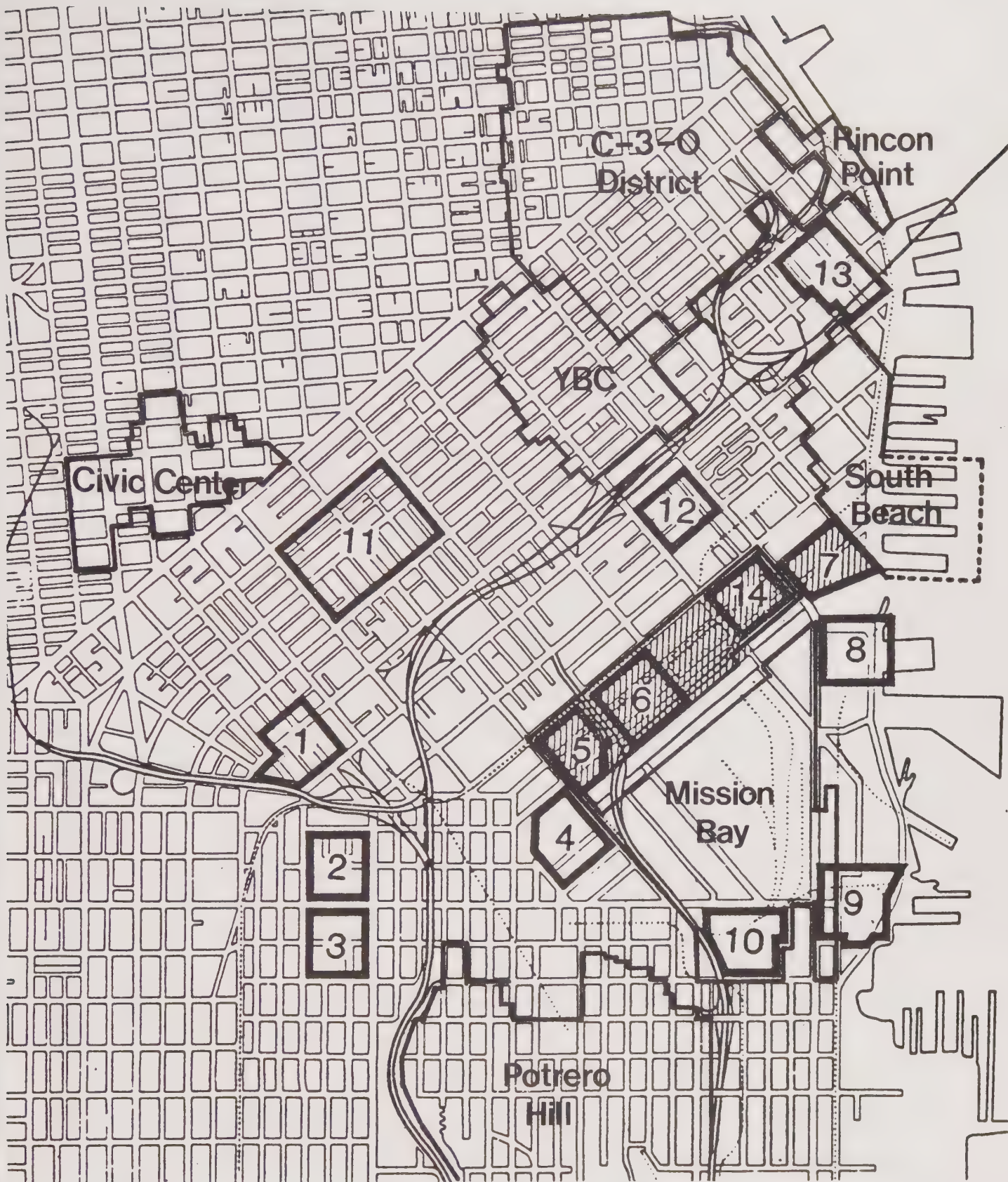
The study team attempted to evaluate every conceivable site near downtown that could accommodate a stadium, including the Task Force's original 10 sites, as well as suggestions from the general public, organizations and elected officials. A total of 18 sites were identified. Four of these were not evaluated in detail because of obvious major problems. These included a site near the transbay terminal, the central block of YBC, Kezar stadium and a location in the Bay.

The 14 sites that were evaluated are illustrated on the map on the following page. Each of these sites were examined using seven factors considered important determinants to site feasibility. These factors are:

1. Acquisition cost
2. Access
3. Public acceptance
4. Technical considerations
5. Size and fit
6. Assembly time
7. Policy conflict

Because the site cost and site assembly time are important to financial feasibility, these factors were studied in considerable detail. Each of the 14 sites were precisely defined and a parcel-level listing of pertinent data was formed for the purpose of estimating the acquisition cost and extent of relocation required. The result of this study is as follows:





# ALTERNATE SITES





<u>SITE</u>	<u>ACQUISITION COST</u>	<u>ASSEMBLY TIME</u>
1	\$ 23.7 million	2.5 to 3.5 years
2	31.7	2.0 to 2.5
3	43.2	3.0 to 3.5
4	27.5	2.0 to 2.5
5	90.0	3.0 to 4.0
6	33.0	2.0 to 2.5
7	37.9	1.5 to 2.5
8	14.6	1.0 to 1.5
9	27.5	4.0 to 5.0
10	19.3	2.5 to 3.0
11	200.0	4.5 to 5.5
12	37.4	3.0 to 3.5
13	70.0	2.5 to 3.0
14	38.5	1.0 to 1.5

Size and fit are basic requirements. Sites were considered poor if they required changes in stadium shape or function, added to costs because of inappropriate size, or impaired the multipurpose function intended for the stadium.

The architectural and engineering consultants prepared, as part of this study, a preliminary design for a new stadium. The program stresses multiuses, with equal emphasis on baseball and football. The consultants recommend a circular configuration which would have a ground level diameter of approximately 700 feet. This "footprint" would have a total area of 385,000 square feet (8.8 acres). The maximum diameter of the stadium structure at 100 feet above ground, however, would be approximately 790 feet. Beyond the basic footprint, additional land is needed for pedestrian circulation, fire access and transportation services. However, the configuration and amount of land to accommodate these activities could vary significantly from site to site. Much depends upon conditions surrounding the site, since in some cases these functions can be integrated into surrounding developments thus lowering both the land needs and project costs.

Each of the 14 sites were evaluated by assigning a score from 0 (bad) to 5 (good) for each of the seven factors listed above. These scores represent the cumulative opinion of the study team and others. Scores were tabulated, with no special emphasis on any of the factors. The ranking of the best five sites is as follows:





Site 14	Score	24.0
Site 6	"	22.5
Site 8	"	22.0
Site 7 & 13 (tie)	"	21.0
Site 2	"	20.0

For the purpose of a sensitivity analysis, certain factors and groupings of factors were weighted by a factor of two. Five such analyses were performed with no significant change in the conclusions.

Because Sites 14, 6 and 7 formed a contiguous area, a stadium site zone was established for the purpose of more detailed studies which included all three of these sites plus Site 5. For this zone, geotechnical studies were performed to determine what impact soils conditions would have on the design and cost of the structure. The principal conclusions reached were:

1. The stadium cannot be practically and economically depressed into the ground at either Site 5 or Site 7.
2. Site 14 has the best soils conditions which would result in a lower cost structure for either an on-grade or depressed stadium.
3. Soils conditions on Site 5 or Site 7 would add at least 5.0% to the cost of the stadium when compared to Site 14.

A study of underground utilities was also conducted to determine if there were any significant problems relating to any of the sites. This study revealed that a 17 foot by 35 foot storm water storage drain was recently constructed which follows an alignment from the Embarcadero in the King Street right-of-way westward to 4th Street, southward one block to Berry and then westward in the Berry Street right-of-way to 7th Street. This drain would require reconstruction if a depressed stadium were placed on Site 14 at an estimated cost of \$4 million. A stadium on Sites 5 or 7 would not be directly affected; however, adjacent underground services may have to be designed around the drain.



## TRANSPORTATION IMPACTS

Transportation considerations are a major factor in determining whether or not a stadium could be built downtown.

Information on Candlestick's transportation impacts helps to understand the nature of the transportation impacts caused by a new downtown stadium. Based upon information developed in the 1981 Access Study by the Department of Public Works, the mode split for Candlestick ranges from 81% auto/19% transit to 87% auto/13% transit depending upon the type of event and time of day. Public transit use is significantly higher during weekdays than either weeknights or weekends. Football events show lower public transit use than any type of baseball event but charter bus use is significantly higher than for baseball. For peak attendance events, an average transit mode split of 16% is commonly accepted, with Muni and charter buses constituting an equal share of 8%. The maximum capacity of Candlestick is 61,100 (for football) therefore the Candlestick transportation system needs to accommodate 51,300 persons in autos and 9,800 on transit.

Transportation consultants estimate 51,300 persons would generate an auto impact of about 16,400 cars -- a density of 3.13 persons per car. This would in turn create a need for 16,400 parking spaces and sufficient lane capacity to move that many cars in and out of the stadium area in as short of a period as possible. The existing supply of 16,868 spaces inventoried in the Candlestick area satisfies this demand. However, only 7,213 of these spaces are located in the main lots. The remaining 9,655 parking spaces are not controlled by the City and consequently their future availability will be determined by other factors.

For a new downtown stadium, the mode split can be expected to shift much more in favor of transit. Consultant studies indicate that the transit share for capacity events in a downtown stadium will be at least 28% with 20% arriving by public transit and 8% arriving by charter buses. With a maximum capacity of 70,250 (for football), the transportation system associated with a downtown stadium must accommodate 50,500 persons arriving by car (slightly fewer than at Candlestick), 14,000 persons arriving by public transit and 5,600 persons arriving by charter buses.



Assuming that the auto density is the same downtown as at Candlestick, the total number of autos needed to accommodate a capacity crowd at a downtown stadium would be about 16,200. A parcel-level inventory of parking spaces located within a 20-minute (1 mile) walk of the principal sites under consideration indicate that there are 22,101 existing parking spaces surrounding Sites 7 and 14, and 19,471 spaces surrounding Site 5. Of those spaces serving Sites 7 and 14, 14,824 are public and 7,277 are private. For Site 5, 14,377 are public and 5,094 are private. Studies on the availability of public spaces at different times indicate that the total number of existing parking spaces for stadium use is as follows:

	<u>Site 7 or 14</u>	<u>Site 5</u>
Weeknight after 5:00	13,342	12,959
Saturday noon	10,822	11,175
Saturday night	13,342	12,939

In addition to this existing off-street parking supply, there are roughly 6,100 additional spaces on-street located within a 20-minute walk. Of this, an estimated 4,000 to 5,000 would be available during weekends and weeknights.

Additional parking is also expected to be constructed near downtown sites as a result of future development. The most significant addition is expected the Mission Bay project proposed by Southern Pacific. Based upon recent plans submitted to the City, this project would include over 12,000 spaces, most of which would be located within close proximity to the principal sites under consideration. The Mission Bay development could raise the total parking supply to between 29,000 and 32,000 spaces. If principal stadium events are scheduled so as to not conflict with peak use, then the parking needs for a downtown stadium can be readily met through the existing and proposed spaces on a shared use basis.

The origin/destination of stadium fans determines the direction and volume of traffic impacts and the nature of public transit needs. Surveys on the origin/destination of fans at Candlestick were used as a basis to predict





patterns for a new stadium. The table below shows the distribution of stadium users among four service areas.

	<u>Candlestick</u>		<u>Downtown</u>	
	<u>Baseball</u>	<u>Football</u>	<u>Baseball</u>	<u>Football</u>
San Francisco	34%	27%	38%	32%
South Bay	43%	47%	36%	41%
East Bay	11.5%	19%	13%	20%
North Bay	11.5%	7%	13%	7%

Using the football model as representing worst case conditions, the auto and transit demand from the four principal service areas would be as follows:

	<u>Total Fans</u>	<u>Arriving by Transit</u>	<u>Arriving by Auto</u>
San Francisco	22,480 (32%)	10,750 (15.3%)	11,730 @ 3.13/car = 3,750 cars
South Bay	28,800 (41%)	5,060 ( 7.2%)	23,740 @ 3.13/car = 7,590 cars
East Bay	14,050 (20%)	2,880 ( 4.1%)	11,170 @ 3.13/car = 3,570 cars
North Bay	4,920 ( 7%)	980 ( 1.4%)	3,940 @ 3.13/car = 1,260 cars
TOTAL	70,250(100%)	19,670 (28.0%)	50,580 =16,170 cars

These figures indicate that the maximum transit demand comes from the City and the principal auto demand originates from the South Bay.

Stadium Sites 7 and 14 are located within the corridor which is currently being studied under the I-280 Transfer Concept Program. This study is analyzing several alternatives to determine the optimum auto/transit program to link the end of Interstate 280 with the City's Embarcadero. Principal transportation improvements under consideration are:

1. An extension of the present Muni-Metro system southward along the bay to a terminus near the existing SP train station.
2. A new E-line trolley to be located along the waterfront from Fort Mason on the north to the SP train station at the south end.
3. A four to six lane landscaped parkway along the Embarcadero.
4. An extension of the SP/Caltrans peninsula train service from the present 4th and Townsend station to the Transbay terminal.



5. The demolition of the existing elevated highway between downtown and the Ferry building.
6. Touchdown ramps from the present end of the elevated highway to the proposed Embarcadero parkway.

A principal goal of this program is to improve public transportation and vehicular access between San Francisco and South Bay. A stadium located on either Site 7 or Site 14 can take advantage of the transportation improvements planned and financed through the I-280 Transfer Program.

By coordinating the I-280 Transfer Program, the Stadium project and Mission Bay, a transportation system can be developed to minimize negative impacts on the area. For instance, it is conceivable that special ramps from the end of I-280 could channel the 7,590 cars from the South Bay bound for a downtown stadium directly to parking structures. The use of City streets would not be necessary. In addition, many of the 23,740 people occupying these cars could enter the stadium directly by way of elevated concourses over the streets from garages adjacent to the stadium.

Access by auto to a stadium on either Site 7 or Site 14 could be significantly better than access to Candlestick Park. A downtown stadium would be well-served by three of the City's four freeway connections from other parts of the Bay Area -- I-80 from the East Bay and I-280 and US 101 from the South Bay. This represents a total of 12 freeway lanes with an hourly capacity of 21,600 cars as compared to eight freeway lanes with an hourly capacity of 14,400 cars serving Candlestick. Furthermore, freeways serving a downtown stadium would have ramp connections to the facility better located than at Candlestick.

The surface street system serving a downtown site is also better than the street system serving Candlestick. As noted earlier, traffic access to Candlestick Park is severely limited causing major impacts on nearby neighborhoods. Of the five roadways providing access to the parking areas, three (Gilman, Ingerson and Jamestown) pass through residential areas.



By contrast, a downtown stadium on either Site 7 or Site 14 would be served by no fewer than 16 major streets -- eight from the north and northwestern parts of the City, six from the west and southwest parts of the City and two from the south. Consultant studies conclude that few traffic problems would occur and that traffic volumes on City streets would be at acceptable levels if the stadium is not used for major events during existing peak traffic periods. Capacity crowds for Sunday afternoon football can be expected to create the worst traffic conditions. Pre-game and post-game traffic would bring the Bay Bridge close to capacity.

### RELOCATION

The schedule for constructing a new stadium would be determined to a great extent by the pace at which private commercial activities can be relocated from proposed sites. This is particularly true if Site 7 is selected.

Even though Site 7 is entirely owned by public agencies, both Port and Caltrans properties house a number of private businesses which lease space. All of these businesses would require relocation in accordance with current relocation laws. The Port property houses the Port's maintenance operation and three commercial tenants. The three commercial tenants collectively occupy about 83,000 square feet of building area. The Caltrans property houses an estimated 34 commercial tenants. As a result of current Caltrans policies, none of these tenants hold a lease for more than two years. The short lease is important because the state intends to use the property to improve road capacity in this part of the City.

Central Relocation has estimated a minimum of 16 months to complete relocation of all tenancies on Site 7. Relocating activity, by law, cannot commence before the City has initiated negotiations to purchase or lease property. These time constraints can delay construction, and hence set the stadium's opening to early 1988. The schedule for completing the project is discussed in Section Seven.





Site 14, on the other hand, contains only one commercial tenant which would need to be relocated -- the recreational vehicle park at 4th and Townsend. The rest of the site is either vacant or is used for parking. The principal determining factor of when this site would be available is likely to be the time required to demolish the one-block section of I-280 between 3rd and 4th Streets.

### SELECTING A BEST SITE

Based exclusively on technical considerations, Site 14 (bounded by the China Basin Building and 3rd, 4th and Townsend Streets) appears to be the best site. Because better soils conditions exist there, foundation costs on this site would be less costly. It is estimated that overall costs of a stadium on Site 14 rather than Site 7. Site 14 would also be better in that auto, transit and pedestrian activities can access the stadium from all sides.

Because of both cost and availability, Site 7 may be the only feasible location for a new downtown stadium. This site, which has been adjusted to accommodate the demonstration stadium design, is bounded by King Street on the north, 3rd Street on the west and the Bay on the south and east. It comprises a total area of about 20.9 acres and is entirely publically owned. The northeast part, about 227,000 square feet, was purchased for right-of-way for the continuation of elevated I-280 to the Embarcadero. The portion of this land to be used for traffic related purposes, and the portion which will be excess property is currently being determined in the I-280 Transfer Concept Program. The south and eastern parts comprising about 514,000 square feet is owned by the Port of San Francisco and is being used for Port maintenance facilities and Pier 46B. Approximately 83,000 square feet of the building area is also leased to three commercial tenants at rates of \$.11 to \$.14 per square foot per month producing \$138,000 in annual income to the Port. The remaining 169,000 square feet of the site owned by the City is in the form of street right-of-ways.

Site 14, consisting of about 14.5 acres, is principally privately owned. To build the stadium there, it would have to be purchased or leased at fair



market value. Two full blocks comprising about 425,000 square feet are owned by Southern Pacific and proposed for development as part of its Mission Bay project. However, the elevated I-280 structure is on one block and these air-rights are controlled by Caltrans. The southern edge of the site, about 83,000 square feet, is property associated with the China Basin Building and the remaining 125,000 square feet is City owned streets.

All of the privately owned property in Site 14 is proposed for development in the near future, a factor which effects its availability and cost. Based on the recently announced Mission Bay plan, Southern Pacific hopes to construct 2.8 million square feet of office space and over 3,700 parking spaces on the two blocks owned by the Company. The owners of the China Basin Building have approved plans for a 180,000 square foot office building and a 550-car underground parking structure. China Basin Building representatives have indicated a willingness to cooperate by redesigning their building to accommodate the stadium on Site 14. Southern Pacific to this date has rejected suggestions for redesigning Mission Bay plans to include a new stadium on Site 14.



SECTION 5

FINANCING A DOWNTOWN STADIUM





## SECTION 5: FINANCING A DOWNTOWN STADIUM

Five financing alternatives were analyzed as affording the opportunity to implement a new downtown stadium.

1. Lease revenue bonds
2. Private sector ownership
3. Sale-leaseback financing
4. Community facilities district financing
5. Tax allocation bonds

For the reasons described in Section Three of this report, the sale-leaseback and tax allocation bond methods of financing were determined to be infeasible as a means for financing the new stadium. The tax allocation method, however, might be used to fund certain aspects of the project. Because a downtown stadium would have much more visibility than Candlestick and because the structure could be designed to achieve maximize revenues, the ability to attract a private sponsor seeking tax benefits, high visibility and potential future return is much more likely.

The principal reason for considering a Community Facilities District encompassing the downtown area is that it is a lower cost way to finance the project. Because a special tax could be imposed immediately, interest would be incurred during the construction period. Only a relatively small reserve fund would be needed to cover cash flow needs. Studies indicate that financing costs under this method would range between 8% and 13% of the total project costs compared to a range of 26% to 35% for the lease revenue method or compared to a range of 12% to 25% for private sponsorship. The community facilities district method affords an opportunity to raise funds from a much broader source than the projected direct and indirect revenues available to the City from the stadium's operation. Depending upon the geographical limits



of the district and the basis for imposition of the special tax, significant relief could be provided to the City's general fund.

As noted in Section 3 of this report, the lease revenue bond method would impose a crucial obligation on the City because any shortfall in revenues by the stadium to meet operating and bond costs would be met from the City's general fund. The lease-revenue method also requires approval by a majority of the voters. If approved, design and engineering work would need to be completed; construction bid could be obtained as the basis for the bond issue.

Because all bonds would be sold at the beginning of construction, the size of the bond issue must be increased by an amount sufficient to pay debt service during this period. Analyses indicate that total financing costs for a 36-month construction period for lease revenue bonds at 9.5% would be 41.8% of the total bond issue. However, because investment income would be received on unused funds offsetting costs, the effective financing rate could be reduced to 26.7%.

Under private sector ownership, the project sponsor would be required to own and operate the stadium in order to qualify for the tax benefits. The City would issue lease revenue bonds for the project in a similar manner as if the City were the sponsor, but the owner would be primarily responsible for payment of bond debt service. It may even be possible to arrange the transaction so that the owner would not only contribute equity toward the project but would also be exclusively responsible for debt service and the City would have no liability for the bonds. It is also possible that the private sponsor could arrange for its own financing for the project, relieving the City entirely from the debt obligation generated by the stadium.

#### COMPARISONS WITH OTHER STADIUMS

In order to better understand the financial aspects of a major downtown multiuse stadium, a study of similar facilities in other cities was undertaken. Some of the information which follows below was developed by Laventhol & Horwath and published in the Giants' 1982 report titled "The Future of Candlestick Park". Other information was provided by the consultant team HNTB/CTMA/Geiger Berger which performed much of the work for this study.



Financial and operating information was obtained from five domed stadiums:

- Astrodome (Houston)
- Superdome (New Orleans)
- Kingdome (Seattle)
- Silverdome (Pontiac)
- Humphreydome (Minneapolis)

Three of these stadiums -- Superdome, Kingdome and Hymphreydome -- are located in downtown areas and the remaining two have suburban locations. The oldest is the Astrodome which was built in the period 1962-65, followed by the Superdome which was built 1970-75, the Kingdome built during 1971-76, the Silverdome built during 1973-75 with the dome addition in 1982, and most recently the Humphreydome which was completed in 1981.

The Astrodome is owned by Harris County and leased to the Astromain Corporation which operates it. The facility was funded through a series of general obligation bonds totaling \$31.6 million. The Astromain Corporation, a private for-profit corporation, pays an annual rent of \$750,000 which is used for a portion of the debt service. The balance is paid by Harris County taxpayers through the general fund. In 1981, the hotel room tax was increased by 3% for the purpose of covering the costs of capital improvements needed at the stadium.

The Superdome is owned by the Louisiana Stadium & Exposition District, a special political subdivision, and leased to the State of Louisiana. The State, which once operated the stadium now leases it to HMC Management Corporation, a division of Hyatt, which operates it. The facility was funded through a series of bonds issued by the Louisiana Stadium & Exposition District. These bonds total \$137.75 million and are supported by a 4% hotel/motel tax imposed within the district. Any shortfall from the operation of the stadium must be covered by the State from its general fund. The management contract with HMC is on an incentive basis, calculated on HMC's ability to decrease the operating deficit incurred when the State operated the facility.





The Kingdome is owned and operated by King County. The facility was funded principally through general obligation bonds totaling \$40 million. Funding for concessions, scoreboard, private club, press boxes and locker rooms was provided through other sources. The land and miscellaneous building costs were donated by the County. Annual bond costs are completely covered by a 2% hotel tax and from operations.

The Silverdome is owned by the Pontiac Stadium Building Authority and leased to the City of Pontiac which operates it. The facility was funded through \$25 million in revenue bonds issued by the Stadium Authority, \$16 million of general obligation bonds issued by Pontiac, a \$7 million installment loan from a consortium of banks and pension funds and \$1.8 million in other City funds. The revenue bonds have first claim on stadium revenues, but the City is not liable should the bonds default. However, the City must meet all payments on both the general obligation bonds and the installment loan.

The Humphreydome is owned by the Metropolitan Council of Minneapolis-St. Paul and is operated by the City of Minneapolis where it is located. The site and all infrastructure improvements were provided by the City of Minneapolis. The facility was funded through \$55 million in revenue bonds issued by the Council. The bonds in turn are supported by a hotel/liquor tax and a 10% admission tax on all events. Any operational shortfall must also be covered by the hotel/liquor tax and admission tax levied by the City of Minneapolis.

Project cost data for the five stadiums researched are as follows:  
(All numbers in \$000)

	<u>SITE</u>	<u>STADIUM</u>	<u>FEES</u>	<u>INFRASTRUCTURE</u>	<u>FINANCE</u>	<u>TOTAL</u>
Astrodome	\$ 7,000	\$ 26,750	\$ 1,100	\$10,500	NA	\$ 45,350
Superdome	\$13,879	\$109,649	\$15,059	79	\$24,421	\$163,087
Kingdome	NA	\$ 67,370	NA	NA	NA	\$ 67,370
Silverdome	\$ 2,055	\$ 42,730	\$ 2,685	NA	\$ 5,250	\$ 52,720
Humphreydome	\$ 8,700	\$ 58,200	\$15,500	NA	NA	\$ 82,400



Total project costs can be lowered if money can be raised during the funding and construction period. The most common capital offset for projects using bond financing is the investment income that is received on unspent funds through arbitrage. Forms of capital offsets which have been identified in this study include:

1. Investment Income
2. Sale or Lease Deposits on Luxury Suites
3. Sale or Lease Deposits on Loge Seats
4. Sale or Lease Deposits on Exclusive Scoreboard Rights
5. Federal Grants (such as UDAG)
6. Public or Private Contributions
7. Sale of Stadium Name
8. Sponsor Equity
9. Alternatively Financed Portions

Of the stadiums surveyed, the Seattle Kingdome offset its total project costs through a \$995,000 federal grant, almost \$7.5 million in investment income, the sale of scoreboard rights and a contribution of the site and infrastructure improvements. The Astrodome offset its \$45.4 million cost through \$1.4 million in investment income. The Humphreydome costs were reduced by the City contributing the site and making all infrastructure improvements. Some of the stadium costs were paid by the teams. Moreover, \$12.9 million in investment income was used to bring costs down.

The maximum seating capacity for the principal sports functions of baseball, football and basketball for each of the five stadiums surveyed is:

	<u>BASEBALL</u>	<u>FOOTBALL</u>	<u>BASKETBALL</u>
Astrodome	46,200	50,500	66,000
Superdome	65,000	71,300	35,000
Kingdome	59,500	64,900	33,700
Silverdome	-0-	80,650	35,000
Humphreydome	54,000	62,220	NA



The principal tenants of the Astrodome include the Houston Astros baseball team and the Houston Oilers football team. Together they use the facility 90 days per year. In addition, the stadium is used for major events by the University of Houston and Texas Southern University.

The only major league tenant at the Superdome is the New Orleans Saints. The football team uses the facility 10 times per year. At present, there is no major baseball franchise in New Orleans. Both Tulane University and the University of New Orleans use the facility which, when combined with other activities, increases the total usage of the stadium to almost 130 event days per year.

The Seattle Kingdome is used by four professional sports franchises--the Mariners, Sounders, Seahawks and Supersonics. As a result, the usage of this stadium was the greatest of the five stadiums surveyed. The total number of event days in 1980 was 211 or 59% of the year.

The Pontiac Silverdome was not designed for baseball use. It is used by two professional sports franchises--the Lions and the Pistons. The estimated annual use of the stadium is 53 event days per year.

The H.H. Humphrey Stadium in Minneapolis is used by both the Minnesota Twins baseball team as well as the Minnesota Vikings football team. The annual use of this facility is over 90 event days per year.

Based upon recent operating statements, stadiums generate revenue from nine sources as indicated in the table on the following page. All numbers are expressed as \$000.





<u>YEAR OF OPERATION</u>	<u>SUPERDOME</u> <u>1982</u>	<u>KINGDOME</u> <u>1982</u>	<u>SILVERDOME</u> <u>1981-82</u>	<u>HUMPHREYDOME</u> <u>1982</u>
1) Event Leases	1,948	1,863	2,950	1,034
2) Concessions	1,107	1,905	1,607	2,056
3) Parking	2,110	1,192	1,124	95
4) Luxury Suite Leases	704	-0-	840	440
5) Advertising	292	637	-0-	66
6) Stadium Club	74	-0-	-0-	-0-
7) Guided Tours	477	21	-0-	-0-
8) Reimbursements	1,514	1,449	924	563
9) Interest on Reserves	<u>1,448</u>	<u>473</u>	<u>1,120</u>	<u>441</u>
TOTAL	9,783	7,603	8,565	4,711

#### FINANCIAL PROJECTIONS

To determine financial feasibility, a computer program was set up enabling the study team to test assumptions relating to project costs, methods of financing, capital offsets, revenues and operating costs. Nineteen runs were processed analyzing the impact of various assumptions on revenues and costs. Run 16, which compares project costs and capital offsets for three methods of financing for Sites 14 and 7, is summarized in the following statement. A more detailed statement is contained in Appendix A.

The table on the following page compares costs in three methods of financing: lease-revenue bonds, a wholly private sponsor, and a community district with taxing authority. All numbers are expressed as \$000.



<u>PROJECT COSTS:</u>	<u>Site 14</u>			<u>Site 7</u>		
	<u>L-R Bonds</u>	<u>Sponsor</u>	<u>District</u>	<u>L-R Bonds</u>	<u>Sponsor</u>	<u>District</u>
Land	35,852	35,852	35,852	6,460	6,460	6,460
Construction	122,251	114,627	122,251	130,848	122,688	130,848
Fees	11,308	10,603	11,308	12,103	11,349	12,103
Infrastructure	1,935	1,935	1,935	5,600	5,600	5,600
Financing	<u>81,870</u>	<u>13,998</u>	<u>19,231</u>	<u>72,348</u>	<u>11,901</u>	<u>16,994</u>
TOTAL	253,217	177,015	190,577	227,360	157,998	172,005
 <u>CAPITAL OFFSETS:</u>						
Investment income	28,998	0	20,827	25,625	0	12,270
Suite deposits	12,600	12,600	12,600	12,600	12,600	12,600
Loge seat sales	17,300	17,300	17,300	17,300	17,300	17,300
Scoreboard	1,000	1,000	1,000	1,000	1,000	1,000
Sponsors equity	<u>0</u>	<u>22,925</u>	<u>0</u>	<u>0</u>	<u>24,538</u>	<u>0</u>
TOTAL	59,898	53,825	51,727	56,525	55,438	49,305
 <u>TOTAL DEBT:</u>	 193,319	 123,190	 138,849	 170,835	 102,561	 122,700
 ANNUAL DEBT COST	 20,750	 16,550	 14,900	 18,350	 13,800	 13,200

The assumptions used to construct this statement are stated on the following pages:

1. Because Site 14 is privately owned, the land needed for the stadium must be acquired at fair market price. Because Site 7 is publically owned, the land needed for the stadium can be assembled by the City and made available for the stadium at no acquisition or lease cost.
2. If the lease revenue bond or community facilities district methods of financing are used, construction would commence in late 1985 and the stadium would open in mid 1988. If a private sponsor were involved, the timetable could shorten by one year.



3. Based upon the consultants' design, a new enclosed stadium seating 64,000 for baseball and 70,250 for football will cost \$90.3 million in hard construction costs (based on May 1983 indexes) depressed 20 feet into the ground on Site 14. Construction costs on Site 7 are expected to be 7.5% greater and soils conditions prevent the structure from being depressed below ground.
4. A convertible roof will add \$2.5 million to the cost of the stadium.
5. A scoreboard will add \$3.5 million to the stadium cost.
6. The construction cost inflation factor is 7.0% beyond 1983.
7. The construction contingency will be 7.0% of the inflated hard construction cost.
8. Construction general conditions will be 5.75% of inflated hard costs plus contingency.
9. Design/engineering/EIR fees will be 6.25% of the construction contract.
10. Project management costs will be 3.0% of the construction contract.
11. All parking and pedestrian system costs will be borne by other, nearby projects and made available for stadium use on a shared basis.
12. All I-280 costs (except for demolition costs if the stadium is built on Site 14) will be borne by the I-280 Transfer Concept Program.
13. Interest during construction will be funded at a 9.5% annual rate if the lease revenue method of financing is used, but will not be required for either the community facilities district or for private sponsorship.
14. The bond reserve fund required for all financing methods will be 10.6% of the bond issue.





15. The total investment income return rate for unused bond funds is calculated at 15.0% of the total bond issue.
16. 180 luxury suites can be leased at an average annual rate of \$35,000 and a deposit equal to the first two years lease can be obtained as a capital offset.
17. Loge seats can be sold for a one-time price of \$1,500/seat for baseball infield locations and \$500/seat for outfield locations. For football, sideline seats can be sold for \$2,000/seat and end zone seats can be sold for \$1,000 -- all proceeds of which can be used as capital offsets.
18. Candlestick's present residual value of \$5.00/net square feet will escalate at an average annual rate of 7.0% until sold after the opening of a new stadium and the transaction will result in no benefit to the new stadium project.
19. Exclusive scoreboard advertising rights will be leased at an annual rate of \$500,000 with a two-year deposit required, all of which is used as an offset.
20. For the private sponsorship financing method, an equity contribution equal to 20% of the finished stadium cost will be required from the project sponsor.

Based on the set of assumptions, the financing comparison shows that the lowest debt obligation would be created if a private sponsor were to build the stadium on Site 7. Under this approach the total debt on the project could be held to as little as \$102.5 million and the annual debt cost would be around \$13.8 million at a rate of 13.25% amortized over 25 years. This is due to a combination of lower financing costs during construction and greater capital offsets.

The highest debt obligation would be created by using the lease revenue bond method. If constructed on Site 7, this method of financing would result



in a bond issue of \$170 million and an annual cost of about \$18.4 million at a 9.5% rate over 25 years. If constructed on Site 14, the bond issue could be as much as \$193 million requiring over \$20 million per year to service the debt.

### STADIUM OPERATION

Stadiums, with no other facilities to produce added revenues, are usually not self-supporting. Indirect revenues such as hotel taxes, sales taxes, parking fees and property taxes from induced development are also often used to support stadiums.

Because inflation and attendance levels impact on revenues and costs, a 20-year projection of the stadium's operation has been prepared for both the lease revenue bond method of financing and private sponsorship. These two statements, which assume a stadium on Site 7, are presented in Appendix B. The assumptions used for these statements are listed below:

1. The annual inflation rate for revenue and cost items is a constant 7.0% annually.
2. All stadium leases will be 10.0% of gross admissions. This compares with 5.0% which is presently paid by the Giants and 10.0% paid by the 49ers at Candlestick.
3. The Golden State Warriors will become a major tenant.
4. The stadium share of concessions will be 12.5% of gross concession income for all events. At Candlestick, the stadium gets nothing from baseball concessions and 25.5% of football concessions.
5. 180 luxury suites can be leased every year at an average rate of \$35,000 per suite. Due to a two year deposit, there will be no suite income during the first year of operation.
6. A stadium club comprising about 20,000 square feet can be leased at about \$24 per square foot for the first year of operation, escalating at a 7% rate each year thereafter. At present, the Giants receive all rental income from the stadium club at Candlestick.



7. Approximately 50,000 square feet of exhibition space can be created within the stadium which can be leased for half of the first year at a daily rate of \$.12 per square foot. Income from this space escalates each year thereafter at a rate of 7%.
8. Approximately 20,000 square feet of commercial and office space can be created which can be leased for about \$25 per square foot during the first year, escalating at a 7% rate each year thereafter.
9. Guided tours can produce \$250,000 in revenues annually.
10. Advertising revenues during the first year of operation will be \$1.2 million escalating to \$1.7 million during the second year and escalating at a 7% rate thereafter.
11. An admissions tax equal to 5.0% of ticket prices will be imposed on all tickets to all events. This compares with admissions taxes at Candlestick which are \$.50 per ticket for each ticket priced \$9.00 or over.
12. Hotel taxes, sales taxes and payroll taxes can indirectly support the stadium under the lease revenue bond method of financing, but could not be used to finance the stadium if a private sponsor owned and operated the stadium.
13. Operating costs will be approximately \$6.2 million during the first year of operation escalating at a 7% annual rate thereafter.
14. Property taxes would not be levied against the stadium for the lease revenue method but would have to be levied for private sponsorship.
15. The size of the bond issue which must be supported by the stadium will be \$170 million for the lease revenue method and \$71 million for private sponsorship with a sponsor's equity of \$40.0 million.
16. The financing rate for lease revenue bonds will be 9.5% and for private sponsorship, 13.25%.





In the lease-revenue approach, even including the revenues generated by the stadium in hotel taxes, sales taxes, and payroll taxes, 20-year projections indicate that the facility will show an operating loss for the first five or six years. However, if a stadium is financed through a private sponsor, it is conceivable that the facility would show an operating profit every year with no tax support.



## SECTION 6

### DISPOSING OF CANDLESTICK PARK



## SECTION 6: DISPOSING OF CANDLESTICK PARK

Studies indicate that while Candlestick's present residual value may not equal the current bonded indebtedness of \$19.5 million, by the time a new stadium could be open, and Candlestick not needed, the land can be sold at a price approximating the outstanding bond indebtedness. The value of the land, however, will be largely affected by its proposed reuse.

Assuming no public need for the land, the study team believes that two principal ways exist for reusing Candlestick land. Development implications for each of these approaches are described below.

### BEST ECONOMIC USE

The "best economic use" is defined as being, "The land use program which produces the highest land value". Market conditions for proposed uses is an important factor in determining the best economic use. Office and commercial development (depending upon level of intensity) produce the greatest land values. The office market in this part of the City is not considered strong and has, as a result, lowered land values. Based upon this study's research, from the viewpoint of a maximum return on land sales, a mixed-use plan with as much hi-tech and commercial space as marketable would yield the highest land value, possibly \$5 per net square foot.

The study investigated four alternative development programs for the reuse of Candlestick Park. Alternative 4, described below, is believed to approximate the land use program yielding the highest land value, \$5 per square foot.





Housing	220 units
Office/Commercial	392,000 gross square feet
Industrial (hi-tech)	584,800 gross square feet

The distribution of land to accomplish this development program would be approximately as follows:

Gross Land Area	77.5 acres
Park (Reversion Area)	4.25 acres
Street/Transportation System	<u>12.77 acres</u>
Net Land Area	60.48 acres
Housing	9.02 acres
Office/Commercial	6.56 acres
Industrial (hi-tech)	44.90 acres

The average housing development density would be one unit for each 1,786 square feet of lot area, which is less dense than some nearby residential zones. Office/commercial development would be an overall average Floor Area Ratio of 1.37 and the F.A.R. for industrial use would be .30.

#### NEIGHBORHOOD DESIRES

In the public opinion work that was done as part of this study, a number of individuals and community leaders who reside and work in the surrounding areas were asked their opinion as to what they would like to see constructed at Candlestick if the stadium were removed. With the exception of one respondent, all felt that the addition of housing and businesses would benefit the community.

The desired residential alternative is a mix of low and moderate income housing -- apartment units for singles, affordable "for sale" family homes, and separate senior citizen housing. The types of commercial uses wanted were service-oriented businesses catering to the community -- retail shops, restaurants, major grocery stores.



Of the four alternative reuses for Candlestick investigated, Alternative 3 approximates what seems to be the desired neighborhood program. Following is a description of the development program for this alternative.

Housing	3,030 units
Office/Commercial	473,700 gross square feet

The distribution of land needed to accomplish this program is follows:

Gross Land Area	77.5 acres
Park (Reversion Area)	4.25 acres
Street/Transportation System	<u>12.77 acres</u>
Net Land Area	60.48 acres

Housing:

High Density (1,650 units)	13.53 acres
Medium Density (1,340 units)	27.47 acres
Low Density (40 units)	<u>1.64 acres</u>
Subtotal	42.64 acres
Office/Commercial	17.84 acres

The highest density housing would have an average lot area per unit of 357 square feet which is roughly equivalent to the density of an RM-3 or RC-3 zone. The medium density, at 893 square feet of lot area per unit, would be slightly less dense than an RM-1 or RC-1 zone. The lowest density would be 1,775 square feet of lot per unit which is less dense than an RH-2 zone. The overall commercial/office floor area ratio is .61.

### REVENUE POTENTIAL

Candlestick Park could be included in a redevelopment area or special district where tax increments could be allocated to the support of a new stadium downtown.

Office/commercial and industrial development would generate revenues in the form of property, sales and payroll (or business) taxes. Housing development would generate principally property taxes.



Computations done as part of this study indicate that the combined property, sales, and payroll tax revenues which would result from Alternative 4, the best economic use, would be \$1.4 million per year. Alternative 3 which emphasizes housing would generate about \$3.5 million per year, \$2.75 million of which would be property taxes from housing. It should be noted that a portion of this tax revenue might be required to retire the costs of providing the infrastructure necessary for developing the property.





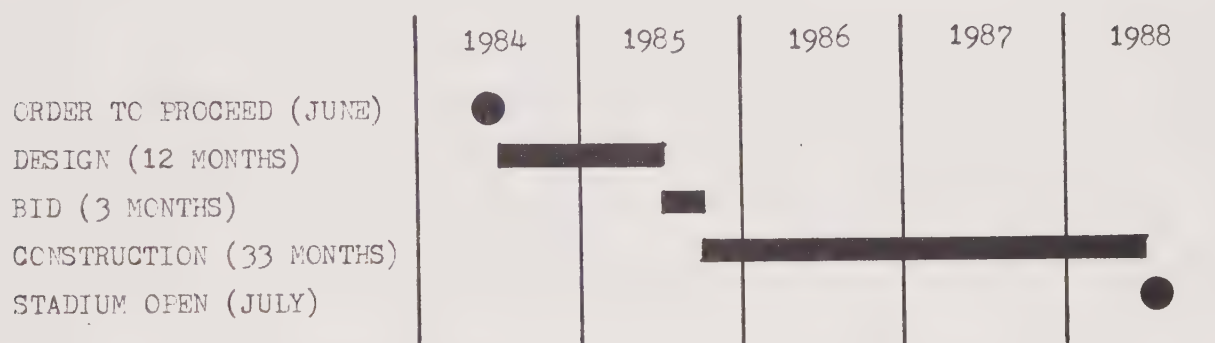
## SECTION 7

### SCHEDULE AND NEXT STEPS



## SECTION 7: SCHEDULE AND NEXT STEPS

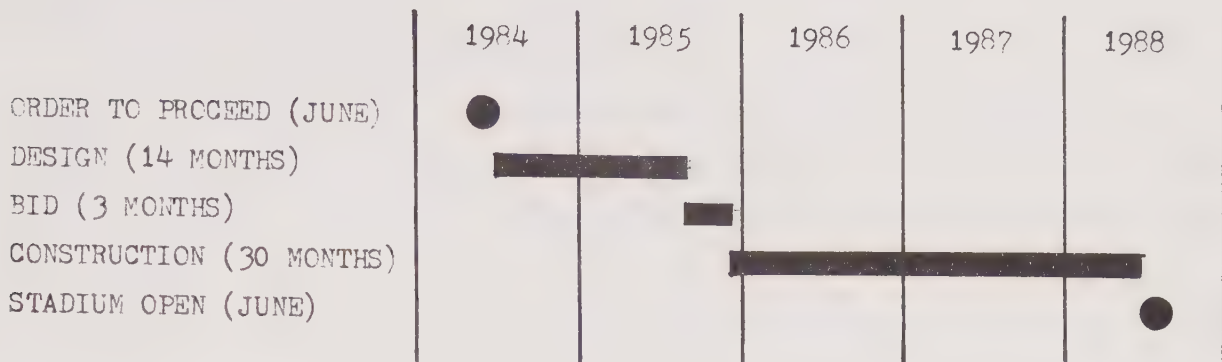
The method of financing can have an impact on the project's timetable which in turn affects the project cost and ultimately the debt obligation incurred. As noted in Section Three of this report, the only practical method of financing improvements to Candlestick Park would be through the issue of lease revenue bonds by the City. Because this approach would require the approval by the majority of the voters of the City, this process could not begin until after a general election which would be in June 1984 at the earliest. Should voters approve, the timetable required to complete Candlestick's improvements is identified below:



Under this timetable, fixed costs and hence the size of the bond issue would not be known until the end of the bid period, set for September 1985. Because over two years will elapse from when construction costs were estimated, the inflation factor of 5.3% used to project Candlestick improvement costs in Section Two of this report could be even greater. The only way this timetable could be accelerated is to begin design before the general election which would mean that any funds spent for design work would be at risk if the project were not approved by the voters. It should also be noted that this schedule would require a complete shutdown of the stadium for a three or four month period during clear weather in order to install the roof. This shutdown would affect the baseball schedule and possibly also the football season.



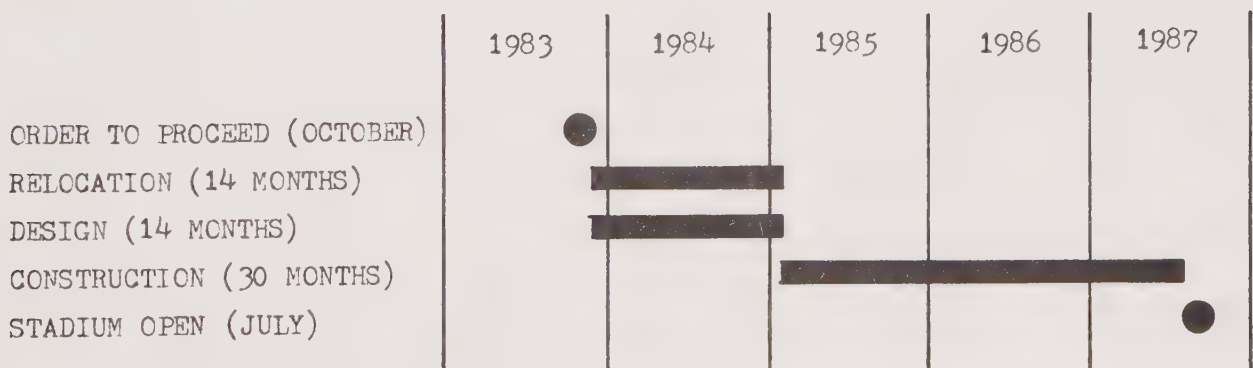
The timetable for construction of a new stadium under lease revenue bonds is as follows:



Under this timetable, costs would not be fixed and the size of the bond issue determined until November 1985. It would result in 2 1/2 years of inflation from the time construction costs were estimated in May 1983. Again, the only way this timetable could be shortened is to begin design work before voter approval with the understanding that any design and engineering fees spent would be at risk if the project were not approved.

If a new stadium were constructed by a private sponsor as opposed to the lease revenue bond method, the timetable could be different because private financing would not require voter approval. However, in all financing approaches, voter approval is required in order to dispose of Candlestick. The City Charter requires voter approval on park lands proposed for disposition. Candlestick Park is regarded as park land.

The timetable for construction of a new stadium by a private sponsor is as follows:







This timetable shows construction beginning immediately after the relocation program is completed. The relocation program (for Site 7) is estimated to take at least 14 months to complete after an order to proceed. If, however, relocation takes less time, construction could begin earlier -- as early as 6 months after design work starts. Under this method, maximum project costs would be known in April 1984 and construction contracts could be signed insuring a project cost lower than one projected for the lease revenue bond method.



APPENDIX A

PROJECT COSTS



RUN16

DOWNTOWN STADIUM FINANCING

A. SITE	14	14	14	7	7	7
B. FINANCING METHOD	L-R BONDS	SPONSOR	DISTRICT	L-R BONDS	SPONSOR	DISTRICT
C. FIRST YEAR OF OPERATION	1988-89	1987-88	1988-89	1988-89	1987-88	1988-89
D. ANNUAL INFLATION FACTOR	7.00	7.00	7.00	7.00	7.00	7.00
E. CANDLESTICK PARK RESOLUTION:						
1. LAND AREA (ACRES):						
a. GROSS LAND AREA	77.50	77.50	77.50	77.50	77.50	77.50
b. REVERSION	4.25	4.25	4.25	4.25	4.25	4.25
c. USABLE LAND	73.25	73.25	73.25	73.25	73.25	73.25
d. % REQUIRED FOR PUBLIC R.D.W.	17.50	17.50	17.50	17.50	17.50	17.50
NET LAND AREA	60.43	60.43	60.43	60.43	60.43	60.43
2. LAND VALUE:						
a. VALUE/NET S.F.	6.75	6.40	6.75	6.75	6.40	6.75
b. USABLE S.F.	2632385	2632385	2632385	2632385	2632385	2632385
c. GROSS LAND VALUE	17768600	16847266	17768600	17768600	16847266	17768600
d. STADIUM DEMOLITION	1350000	1280000	1350000	1350000	1280000	1350000
TOTAL LAND VALUE	16418600	15567266	16418600	16418600	15567266	16418600
3. EXISTING BOND BALANCE:						
a. END OF YEAR BALANCE	15140000	16050000	15140000	15140000	16050000	15140000
RESIDUAL CANDLESTICK LAND VALUE	1278600	-482734	1278600	1278600	-482734	1278600



# F. PROJECT COSTS:

<b>1. LAND:</b>							
a. ACQUISITION		25757220	25757220	25757220	0	0	0
b. SEVERENCE DAMAGES		3200000	3200000	3200000	0	0	0
c. RELOCATION		1275000	1275000	1275000	5000000	5000000	5000000
d. DEMOLITION		1500000	1500000	1500000	840000	840000	840000
e. UTILITY ADJUSTMENTS		4000000	4000000	4000000	500000	500000	500000
f. FEES & SERVICES		120000	120000	120000	120000	120000	120000
	TOTAL	35852220	35852220	35852220	6460000	6460000	6460000
<b>2. CONSTRUCTION:</b>							
a. MAY 1983 HARD COSTS	7.50 %	90250000	90250000	90250000	97013750	97018750	97018750
b. CONVERTIBLE ROOF		2500000	2500000	2500000	2500000	2500000	2500000
c. SCOREBOARD		3500000	3500000	3500000	3500000	3500000	3500000
d. INFLATION		11790625	5053125	11790625	12619797	5408484	12619797
e. CONTINGENCY @	7.00 %	7562844	7091219	7562844	8094698	7589906	8094698
f. GENERAL CONDITIONS @	5.75 %	6647199	6232675	6647199	7114662	6670986	7114662
	TOTAL	122250668	114627019	122250668	130847907	122688126	130847907
<b>3. FEES:</b>							
a. EIR @	.25 %	305627	286568	305627	327120	306720	327120
b. DESIGN & ENGINEERING @	6.00 %	7335040	6877621	7335040	7850874	7361288	7850874
c. ADMINISTRATION	3 %	3667520	3438811	3667520	3925437	3680644	3925437
	TOTAL	11308187	10602999	11308187	12103431	11348652	12103431
<b>4. INFRASTRUCTURE:</b>							
a. TRAFFIC SYSTEM		1235000	1235000	1235000	1700000	1700000	1700000
b. PARKING		0	0	0	0	0	0
c. TRANSIT SYSTEM		200000	200000	200000	400000	400000	400000
d. PEDESTRIAN SYSTEM		500000	500000	500000	3500000	3500000	3500000
	TOTAL	1935000	1935000	1935000	5600000	5600000	5600000
<b>5. FINANCING:</b>							
a. FUNDED INTEREST	28.50 %	55095845	0	0	48687861	0	0
b. BOND RESERVE FUND	10.60 %	20491788	13058137	14718027	18108468	10871421	13006230
c. DISCOUNT/INSURANCE	3.00 %	5799563	0	4165479	5125038	0	3681009
d. ISSUANCE EXPENSE	.25 %	483297	940000	347123	427087	1030000	306751
	TOTAL	81870492	13998137	19230629	72348453	11901421	16993989
TOTAL PROJECT COSTS		253216567	177015375	190576704	227359792	157998199	172005328





# G. CAPITAL OFFSETS:

## 1. INVESTMENT INCOME:

a. TOTAL BOND AMOUNT	193318754	0	138849308	170834601	0	122700285
b. GROSS INCOME RATE (%)	15.00	.00	15.00	15.00	.00	15.00

SUBTOTAL	28997813	0	20827396	25625190	0	18405043
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## 2. DEPOSITS ON LUXURY SUITES:

a. NUMBER OF SUITES	180	180	180	180	180	180
b. AVERAGE ANNUAL LEASE COST	35000	35000	35000	35000	35000	35000
c. NO. OF YEARS FOR DEPOSIT	2	2	2	2	2	2

SUBTOTAL	12600000	12600000	12600000	12600000	12600000	12600000
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## 3. FIRST YEAR LOGE SALES:

### a. BASEBALL:

2000 INFIELD @	1500	3000000	3000000	3000000	3000000	3000000
6000 OUTFIELD @	500	3000000	3000000	3000000	3000000	3000000

### b. FOOTBALL:

3300 SIDELINE @	2000	6600000	6600000	6600000	6600000	6600000
4700 END ZONE @	1000	4700000	4700000	4700000	4700000	4700000

SUBTOTAL	17300000	17300000	17300000	17300000	17300000	17300000
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## 4. SCOREBOARD LEASE DEPOSITS

5. SPONSOR'S EQUITY @	20 %	0	22925404	0	24537625	0
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TOTAL CAPITAL OFFSETS	59897813	53825404	51727396	56525190	55437625	49305043
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# H. ANNUAL BOND COSTS:

1. TOTAL DEBT AMOUNT	193318754	123189971	138849308	170834601	102560574	122700285
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a. TERM OF DEBT (YEARS)	25	25	25	25	25	25
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b. DEBT COST RATE (ANNUAL CONSTANT)	.10734	.134424	.10734	.10734	.134424	.10734
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ANNUAL BOND COSTS	20750835	16559689	14904085	18337386	13786603	13170649
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APPENDIX B

20-YEAR OPERATION PROJECTIONS



SUMMARY STATEMENT FOR STADIUM ON SITE 7 - PRIVATE SPONSORSHIP  
(ALL NUMBERS IN \$000 UNLESS OTHERWISE NOTED)

FISCAL YEAR:	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
YEAR OF OPERATION:	1	2	3	4	5	6	7	8	9	10
<hr/>										
A. ANNUAL INFLATION RATE	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
<hr/>										
B. REVENUES:										
1. FROM STADIUM USE:										
a. STADIUM LEASES	4078	4126	4166	4156	4770	5104	5461	5843	6252	6690
b. CONCESSIONS	2342	2368	2386	2553	2732	2923	3128	3346	3581	3831
c. ANNUAL PAYMENTS ON SUITES	0	6300	6300	6300	6300	6300	6300	6300	6300	6300
d. RENTAL SPACES:										
1. STADIUM CLUB	500	535	572	613	655	701	750	803	859	919
2. EXHIBITION HALL	1000	1070	1145	1225	1311	1403	1501	1606	1718	1838
3. COMMERCIAL SPACE	250	268	286	306	328	351	375	401	430	460
4. OFFICE SPACE	250	268	286	306	328	351	375	401	430	460
e. GUIDED TOURS	250	250	250	250	250	250	250	250	250	250
f. ADVERTISING	1200	1700	1819	1946	2083	2228	2384	2551	2730	2921
g. ADMISSIONS SURCHARGE	2039	2053	2033	2229	2365	2552	2731	2922	3126	3345
	11909	18947	19294	20186	21141	22162	23255	24424	25675	27014
2. FROM TAXES:										
a. HOTEL TAX	0	0	0	0	0	0	0	0	0	0
b. SALES TAX	0	0	0	0	0	0	0	0	0	0
c. PAYROLL TAXES	0	0	0	0	0	0	0	0	0	0
d. PROPERTY TAXES	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUES	11909	18947	19294	20186	21141	22162	23255	24424	25675	27014
<hr/>										
C. OPERATING COSTS:										
1. PERSONNEL	3500	3745	4007	4286	4588	4909	5253	5620	6014	6435
2. PROFESSIONAL SERVICES	150	161	172	184	197	210	225	241	258	276
3. SERVICE CONTRACTS	600	642	687	735	786	842	900	963	1031	1103
4. UTILITIES	900	963	1030	1103	1180	1262	1351	1445	1546	1655
5. MATERIALS/SUPPLIES/REPAIRS	600	642	687	735	786	842	900	963	1031	1103
6. FIXED COSTS	250	268	286	306	328	351	375	401	430	460
7. COMMUNICATIONS/TRANSPORTATIO	30	86	92	98	105	112	120	128	137	147
8. RENTALS	50	54	57	61	66	70	75	80	86	92
9. ADVERTISING/PROMOTION	100	107	114	123	131	140	150	161	172	184
10. LAND LEASE	0	0	0	0	0	0	0	0	0	0
11. PROPERTY TAXES	0	1500	1500	1500	1500	1500	1500	1500	1500	1500
12. CAPITAL RESERVE @ 3.00	0	568	579	606	634	665	698	733	770	810
TOTAL OPERATING COSTS	6230	8735	9212	9738	10300	10903	11547	12237	12975	13764
<hr/>										
D. NET INCOME	5679	10212	10082	10448	10840	11259	11708	12188	12700	13250
<hr/>										
E. DEBT COSTS:										
1. PRINCIPAL BALANCE	71000	70864	70709	70534	70336	70111	69857	69569	69243	68873
2. INTEREST RATE	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25
3. INTEREST	9408	9399	9369	9346	9319	9290	9256	9218	9175	9126
4. PRINCIPAL	137	155	175	198	225	254	288	326	369	418
	9544	9544	9544	9544	9544	9544	9544	9544	9544	9544
<hr/>										
F. BALANCE BEFORE DEPRECIATION	-3865	668	538	904	1296	1715	2164	2644	3156	3706
G. 20-YEAR SUMMARY	90155									





1997-98 11	1998-99 12	1999-00 13	2000-01 14	2001-02 15	2002-03 16	2003-04 17	2004-05 18	2005-06 19	2006-07 20
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
7158	7659	8195	8769	9383	10039	10742	11494	12299	13160
4100	4387	4694	5022	5374	5750	6152	6583	7044	7537
6300	6300	6300	6300	6300	6300	6300	6300	6300	6300
984	1052	1126	1205	1289	1380	1476	1579	1690	1808
1967	2105	2252	2410	2579	2759	2952	3159	3380	3617
492	526	563	602	645	690	738	790	845	904
492	526	563	602	645	690	738	790	845	904
250	250	250	250	250	250	250	250	250	250
3125	3344	3578	3829	4097	4384	4690	5019	5370	5746
3579	3830	4098	4385	4692	5020	5372	5748	6150	6581
28446	29979	31619	33374	35252	37261	39411	41711	44172	46806
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
28446	29979	31619	33374	35252	37261	39411	41711	44172	46806
6885	7367	7883	8434	9025	9657	10333	11056	11830	12658
295	316	338	361	387	414	443	474	507	542
1180	1263	1351	1446	1547	1655	1771	1895	2028	2170
1770	1894	2027	2169	2321	2483	2657	2843	3042	3255
1180	1263	1351	1446	1547	1655	1771	1895	2028	2170
492	526	563	602	645	690	738	790	845	904
157	168	180	193	206	221	236	253	270	289
98	105	113	120	129	138	148	158	169	181
197	210	225	241	258	276	295	316	338	362
0	0	0	0	0	0	0	0	0	0
1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
853	899	949	1001	1058	1118	1182	1251	1325	1404
14609	15513	16480	17515	18622	19807	21074	22431	23882	25435
13837	14467	15140	15860	16630	17454	18337	19281	20290	21371
68455	67981	67445	66837	66149	65370	64488	63489	62359	61079
13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25	13.25
9070	9008	8936	8856	8765	8662	8545	8412	8263	8093
474	536	608	688	777	882	999	1132	1281	1451
9544	9544	9544	9544	9544	9544	9544	9544	9544	9544
4293	4923	5596	6316	7086	7910	8793	9737	10746	11827



5-19-55

## STADIUM OPERATION

## SUMMARY STATEMENT FOR STADIUM ON SITE 7 - PUBLIC SPONSORSHIP

(ALL NUMBERS IN \$000 UNLESS OTHERWISE NOTED)

FISCAL YEAR:	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
YEAR OF OPERATION:	1	2	3	4	5	6	7	8	9	10
A. ANNUAL INFLATION RATE	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
B. REVENUES:										
1. FROM STADIUM USE:										
a. STADIUM LEASES	4078	4126	4166	4458	4770	5104	5461	5843	6252	6690
b. CONCESSIONS	2342	2368	2386	2553	2732	2923	3128	3346	3581	3831
c. ANNUAL PAYMENTS ON SUITES	0	6300	6300	6300	6300	6300	6300	6300	6300	6300
d. RENTAL SPACES:										
1. STADIUM CLUB	500	535	572	613	655	701	750	803	859	919
2. EXHIBITION HALL	1000	1070	1145	1225	1311	1403	1501	1606	1718	1838
3. COMMERCIAL SPACE	250	269	286	306	328	351	375	401	430	460
4. OFFICE SPACE	250	269	286	306	328	351	375	401	430	460
e. GUIDED TOURS	250	250	250	250	250	250	250	250	250	250
f. ADVERTISING	1200	1700	1819	1946	2083	2228	2384	2551	2730	2921
g. ADMISSIONS SURCHARGE	2039	2063	2083	2229	2385	2552	2731	2922	3126	3345
	11909	13947	15294	16136	17141	18362	19755	21324	23075	25014
2. FROM TAXES:										
a. HOTEL TAX	2500	2675	2862	3063	3277	3506	3752	4014	4295	4596
b. SALES TAX	187	189	191	204	219	234	250	268	287	307
c. PAYROLL TAXES	32	34	37	39	42	45	48	51	55	59
d. PROPERTY TAXES	0	0	0	0	0	0	0	0	0	0
	2719	2898	3090	3306	3536	3785	4050	4334	4637	4962
TOTAL REVENUES	14628	21845	22384	23492	24678	25947	27305	28758	30312	31976
C. OPERATING COSTS:										
1. PERSONNEL	3500	3745	4007	4288	4588	4909	5253	5620	6014	6435
2. PROFESSIONAL SERVICES	150	161	172	184	197	210	225	241	258	276
3. SERVICE CONTRACTS	600	642	687	735	786	842	900	963	1031	1103
4. UTILITIES	900	963	1030	1103	1180	1262	1351	1445	1546	1655
5. MATERIALS/SUPPLIES/REPAIRS	600	642	687	735	786	842	900	963	1031	1103
6. FIXED COSTS	250	268	286	306	328	351	375	401	430	460
7. COMMUNICATIONS/TRANSPORTATION	80	86	92	98	105	112	120	128	137	147
8. RENTALS	50	54	57	61	66	70	75	80	86	92
9. ADVERTISING/PROMOTION	100	107	114	123	131	140	150	161	172	184
10. LAND LEASE	0	0	0	0	0	0	0	0	0	0
11. PROPERTY TAXES	0	0	0	0	0	0	0	0	0	0
12. CAPITAL RESERVE @ 3.00	0	655	672	705	740	778	819	863	909	959
TOTAL OPERATING COSTS	6230	7321	7804	8337	8907	9516	10169	10867	11614	12413
D. NET INCOME	8398	14524	14579	15155	15772	16431	17137	17891	18698	19563
E. DEBT COSTS:										
1. PRINCIPAL BALANCE	170000	169864	169709	169534	169336	169111	168857	168569	168245	167873
2. INTEREST RATE	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
3. INTEREST	16150	16137	16122	16106	16087	16066	16041	16014	15983	15948



1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
11	12	13	14	15	16	17	18	19	20
7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
7158	7659	8195	8769	9333	10039	10742	11494	12299	13160
4100	4387	4674	5022	5374	5750	6152	6583	7044	7537
6300	6300	6300	6300	6300	6300	6300	6300	6300	6300
984	1052	1126	1205	1289	1380	1476	1579	1690	1808
1967	2105	2252	2410	2579	2759	2952	3159	3380	3617
492	526	563	602	645	690	738	790	845	904
492	526	563	602	645	690	738	790	845	904
250	250	250	250	250	250	250	250	250	250
3125	3344	3578	3829	4097	4384	4690	5019	5370	5746
3579	3830	4098	4385	4692	5020	5372	5748	6150	6581
28446	29979	31619	33374	35252	37261	39411	41711	44172	46806
4918	5262	5630	6025	6446	6898	7380	7897	8450	9041
328	351	376	402	430	460	493	527	564	603
63	67	72	77	83	89	94	101	108	116
0	0	0	0	0	0	0	0	0	0
5309	5681	6078	6504	6959	7446	7967	9525	9122	9760
33755	35660	37698	39878	42211	44707	47379	50237	53294	56567
6885	7367	7883	8434	9025	9657	10333	11056	11830	12658
295	316	338	361	387	414	443	474	507	542
1180	1263	1351	1446	1547	1655	1771	1895	2028	2170
1770	1894	2027	2169	2321	2483	2657	2843	3042	3255
1180	1263	1351	1446	1547	1655	1771	1895	2028	2170
492	526	563	602	645	690	738	790	845	904
157	168	180	193	206	221	236	253	270	289
98	105	113	120	129	138	148	158	169	181
197	210	225	241	258	276	295	316	338	362
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
1013	1070	1131	1196	1266	1341	1421	1507	1599	1697
13268	14183	15162	16210	17331	18530	19813	21187	22656	24228
20487	21477	22536	23668	24881	26177	27565	29050	30638	32339
167455	166981	166445	165837	165149	164370	163487	162488	161356	160074
9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
15708	15863	15812	15755	15689	15615	15531	15436	15329	15207
1658	1703	1754	1811	1877	1951	2035	2130	2237	2359
17566	17566	17566	17566	17566	17566	17566	17566	17566	17566
2921	3911	4970	6102	7315	8611	9999	11484	13072	14773





# CREDITS

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